

2010-77-C
268729

February 3, 2017

VIA OVERNIGHT COURIER

Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Re: Notice of Transfer of Control of Grasshopper Group, LLC to LogMeIn, Inc.

Dear Sir or Madam:

Grasshopper Group, LLC ("Grasshopper"), Citrix Systems, Inc. ("Transferor") and LogMeIn, Inc. ("LogMeIn") or ("Transferee") (collectively the "Parties"), by undersigned counsel, hereby notify the Public Service Commission of South Carolina ("Commission"), of the transfer of control of Grasshopper to LogMeIn ("Transaction") on January 31, 2017. It is the Parties' understanding that prior approval of the Transaction was not required. The Parties submit this letter only for informational purposes to ensure the continuing accuracy of the Commission's records.

I. DESCRIPTION OF THE PARTIES

A. Citrix Systems, Inc.

Citrix Systems is a publicly traded Delaware corporation with its principal business address at 851 West Cypress Road, Fort Lauderdale, Florida 33309. Citrix Systems' technology makes the world's apps and data secure and easy to access, empowering people to work anywhere and at any time. Citrix Systems provides a complete and integrated portfolio of Workspace-as-a-Service, application delivery, virtualization, mobility, network delivery and file sharing solutions that enable IT to ensure critical systems are securely available to users via the cloud or on-premises and across any device or platform.

Prior to the Transaction, Grasshopper was a subsidiary entirely owned by Citrix Systems. Information regarding the pre-transaction corporate structure of Citrix Systems is provided in the first organizational chart found in **Exhibit A** attached hereto.

B. Grasshopper Group, LLC

Grasshopper is a Massachusetts limited liability company with its principal place of business located at 197 1st Avenue, Suite 200, Needham, Massachusetts 02494. Grasshopper offers integrated phone service solutions, voicemail processing, and other enhanced services to business end users. Grasshopper was authorized to provide competitive intrastate interexchange telecommunications services within the State of South Carolina in Docket No. 2010-77-C, Order No. 2010-495. Grasshopper is registered with the Federal Communications Commission to provide interstate telecommunications services (FCC Filer ID N_____, and was granted international Section 214 authority in FCC File No. ITC-2_____, October 15, 2009. Grasshopper is also authorized to provide interexchange long distance telecommunications services pursuant to registration, commission order, or on a deregulated basis in the states of: Arizona, Arkansas, California, Colorado, Connecticut, Delaware,

Florida, Georgia, Hawaii, Iowa, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, and Washington.

C. LogMeIn, Inc.

LogMeIn is a publicly traded Delaware corporation with its principal business address at 320 Summer Street, Boston, Massachusetts 02210. LogMeIn is a leading provider of cloud-based connectivity solutions that enable people and companies to connect and communicate with their workplaces, colleagues, customers, and products anywhere, at any time. LogMeIn's services allow users to work remotely, use a mix of personal and employer-procured technology for work purposes, secure online or cloud-based services, support and manage remote computers and other Internet-enabled devices, and collaborate with other users. With annual revenue in 2014 of \$222.0 million, and in 2015 of \$271.6 million, LogMeIn's services are used by tens of millions of users and have brokered hundreds of millions of sessions. LogMeIn does not offer domestic telecommunications service of any kind but relies on third parties for such services. LogMeIn's product offerings include, but are not limited to:

1. **join.me, join.me pro, and join.me business**, LogMeIn's free and premium browser-based online meeting and screen sharing services that provide users with the ability to quickly and securely host an online meeting with other people;
2. **LogMeIn Pro and LogMeIn Central** are LogMeIn's premium remote access services that provide secure access to a remote computer or other Internet-enabled device from any other Internet-connected computer, as well as most smartphones and tablets;
3. **LogMeIn Rescue, Rescue Lens, and LogMeIn Rescue+Mobile** are LogMeIn's web-based remote support and customer care services that are used by helpdesk professionals to provide remote support via the Internet, without the need of pre-installed software;
4. **BoldChat**, LogMeIn's web-based live chat service that helps customer service staff, ranging from sales and pre- and post-sale support, to directly engage and provide assistance to visitors of a customer's website;
5. **LastPass** is a market leading password management and single sign on, or SSO, solution that gives individuals, business teams and enterprises the ability to securely store, create and access the user identity and login credentials for thousands of online applications and websites. Available online, in a desktop app and via iOS and Android mobile apps, LastPass is offered in free, premium and enterprise versions and runs on today's most popular browsers, devices and operating systems; and
6. **Xively**, LogMeIn's Internet of Things cloud platform and connected product management tool, which is designed to help businesses build, run and support a rapidly growing class of Internet-connected products that lack a traditional operating system.

Information regarding the pre-transaction corporate structure of LogMeIn is provided in the second organizational chart found in **Exhibit A** attached hereto.¹

II. DESCRIPTION OF THE TRANSACTION

On July 26, 2016, Citrix Systems and LogMeIn jointly announced the proposed combination of GetGo, Inc. ("GetGo"), a wholly owned subsidiary of Citrix Systems that holds the GoTo family of products, with LogMeIn in a Reverse Morris Trust transaction.² On January 31, 2017, the parties consummated the Transaction. The combination resulted in Citrix Systems' equity shareholders receiving shares in LogMeIn that equal approximately 50.1% of all outstanding shares of LogMeIn on a fully diluted basis, while existing LogMeIn shareholders received approximately 49.9% of the outstanding shares of the combined LogMeIn company on a fully diluted basis.

In connection with the Transaction, Citrix Systems completed an internal multiple-step restructuring process involving a *pro forma* transfer of certain Citrix Systems entities to GetGo and name changes of certain Citrix Systems entities. Specifically, Citrix Systems completed a *pro forma* transaction in which GetGo acquired an ownership interest in Grasshopper. The transfer of Grasshopper is subject to a transition period, during which GetGo will own the economic interests of Grasshopper and Citrix Systems will retain the controlling interest.³ Information regarding the ownership structure of LogMeIn following the Transaction is provided in **Exhibit B**.

Management has not significantly changed as a result of the Transaction. LogMeIn's President and Chief Executive Officer, William Wagner, and Chief Financial Officer, Ed Herdiech, will continue in their respective roles. Certain members of GetGo's management team joined the combined company. LogMeIn's board of directors now consists of nine directors: five continuing LogMeIn directors and four Citrix Systems director appointees. LogMeIn directors now include: Michael Simon, former CEO and current Chairman of the board of directors of LogMeIn, who will remain in place as Chairman of LogMeIn's board of directors post-transaction; William Wagner; Edwin Gillis; Steven Benson; and Michael Christenson. The directors designated by Citrix Systems are Bob Calderoni, Jesse Cohn, Peter Sacripanti, and David Henshall.

The LogMeIn board of directors also has formed an Operating Committee consisting of two LogMeIn directors and two Citrix Systems directors. The Operating Committee, having authority delegated by the full LogMeIn board of directors, including the authority to hire and compensate third-party consulting firms and other advisors, is overseeing the transition and realization of the synergies

¹ Additional information regarding LogMeIn may be found in its most recent submissions of Form 10-K to the SEC, which are available at <https://www.sec.gov/Archives/edgar/data/1420302/000119312516469163/0001193125-16-469163-index.htm>.

² A copy of the merger agreement was filed with the Securities and Exchange Commission on July 28, 2016 and is available online at <https://www.sec.gov/Archives/edgar/data/1420302/000119312516662447/0001193125-16-662447-index.htm>.

³ GetGo will own Class B membership units in Grasshopper (which correspond to the economic interests) while Citrix Systems will retain Class A membership units (which include the right to control the entity). Upon receipt of regulatory approvals, ownership of the Class A membership units transferred to GetGo.

contemplated by the Transaction, thus providing for a seamless transition for customers, as discussed below.

III. PUBLIC INTEREST STATEMENT

The Transaction described herein will serve the public interest. In addition to the broader platform for innovation, general merger synergies, and benefits related to the integration of the GoTo family of products and services with the complementary products and services of LogMeIn, the Transaction will promote competition among telecommunications carriers and other service providers in the delivery of communications solutions for consumers and businesses.

The Transaction brings together Citrix Systems' GoTo business segment and LogMeIn, proven innovators with a shared belief in simplifying the way people connect to customers, colleagues, and the world around them. The Transaction expands LogMeIn's existing suite of communications products and solutions, thus enabling LogMeIn to deliver greater value and a wider variety of services to customers. In particular, the GoTo family of products delivers collaborative communication solutions for small and medium-sized businesses through leading products such as GoToAssist, GoToMeeting, GoToMyPC, GoToTraining, GoToWebinar, Grasshopper, and OpenVoice. LogMeIn, already a leading provider of cloud-based collaboration, customer service and support, and identity and access management communications tools, will combine and integrate the GoTo products to provide enhanced experiences and outcomes for customers of the combined company.

The Transaction entails particular benefits for small and medium-sized business and large enterprise customers of LogMeIn and the GoTo products. The integration of LogMeIn's cloud-based services with the GoTo business's innovative communications solutions will create new opportunities for these customers to benefit from a wider range of highly reliable, scalable, and customizable suite of services.

The Transaction does not diminish competition in any relevant market or otherwise harm the public interest. The Transaction poses no threat to competition because the GoTo business and LogMeIn do not compete in the provision of any regulated service. Indeed, LogMeIn itself does not hold any state licenses or authorizations and does not offer telecommunications services or any other regulated intrastate service. In any event, the marketplace for IP-based communications solutions for business customers is robustly competitive.

The Transaction has not led and will not lead to any changes to the rates, terms, and conditions of service at this time. The Transaction has been transparent to customers and will not result in the discontinuance, reduction, loss, or impairment of service to customers. Rather, as noted, it will enable LogMeIn to make available a greater variety of high-quality, innovative services to its existing, and GoTo, customers.

IV. CONTACT INFORMATION

Correspondence concerning this filing should be sent to the following:

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Please also send a copy of all correspondence concerning this filing to the Parties' counsel:

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V. CONCLUSION

Accordingly, the Parties respectfully advise the Commission of their participation in the Transaction as described above. Two (2) copies of this filing are enclosed. Please date stamp the enclosed extra copy of this filing and return it in the attached self-addressed envelope. If there are any questions regarding this filing, please do not hesitate to contact the undersigned directly.

Respectfully submitted,



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List of Exhibits

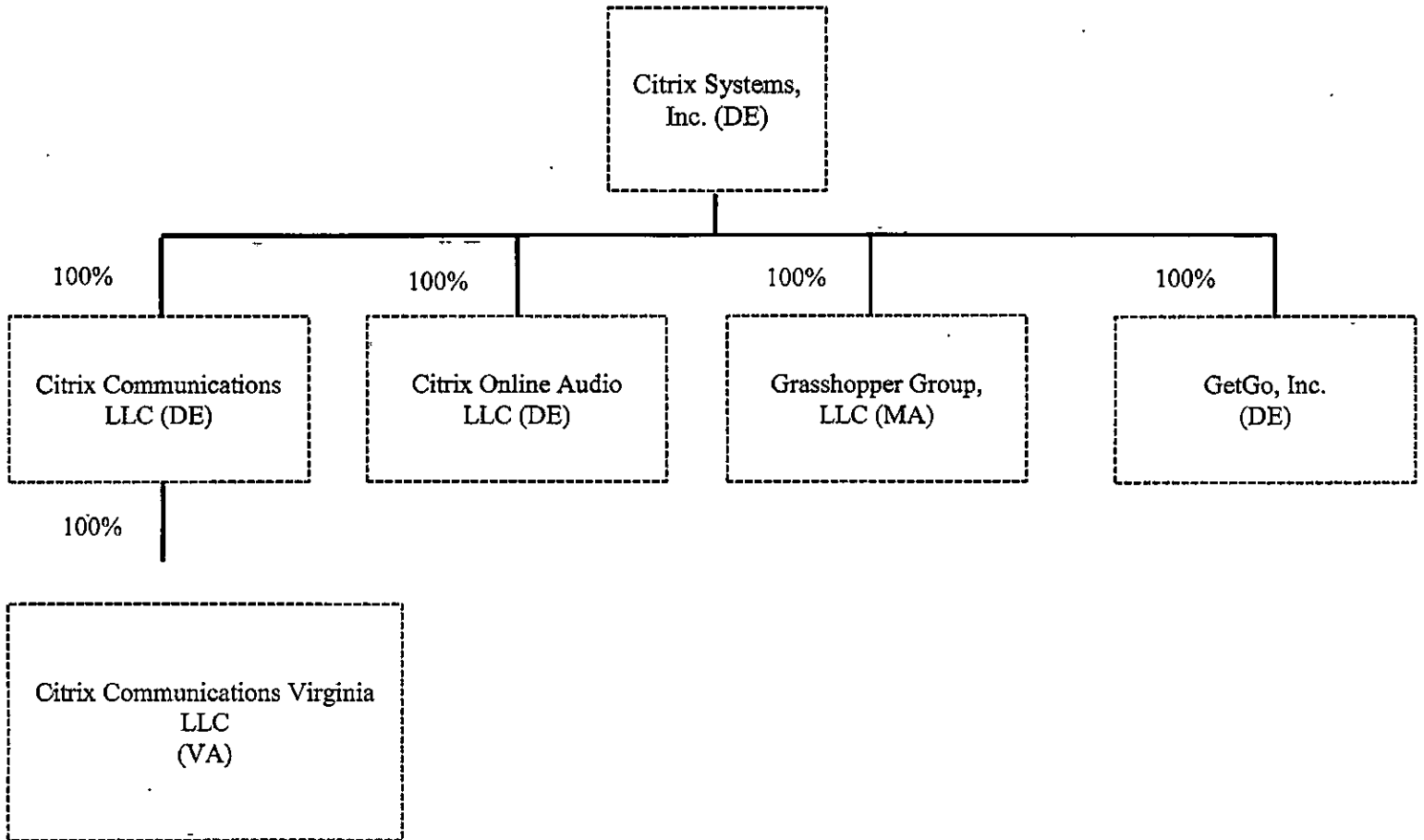
Exhibit A – Pre-Transaction Ownership Structure

Exhibit B – Post-Transaction Ownership Structure

Exhibit A

Pre-Transaction Ownership Structure

I. Citrix Systems, Inc.⁴



⁴ Subsidiaries not regulated and not germane to the Transaction are excluded.

II. LogMeIn, Inc.

LogMeIn, Inc. & Subsidiaries

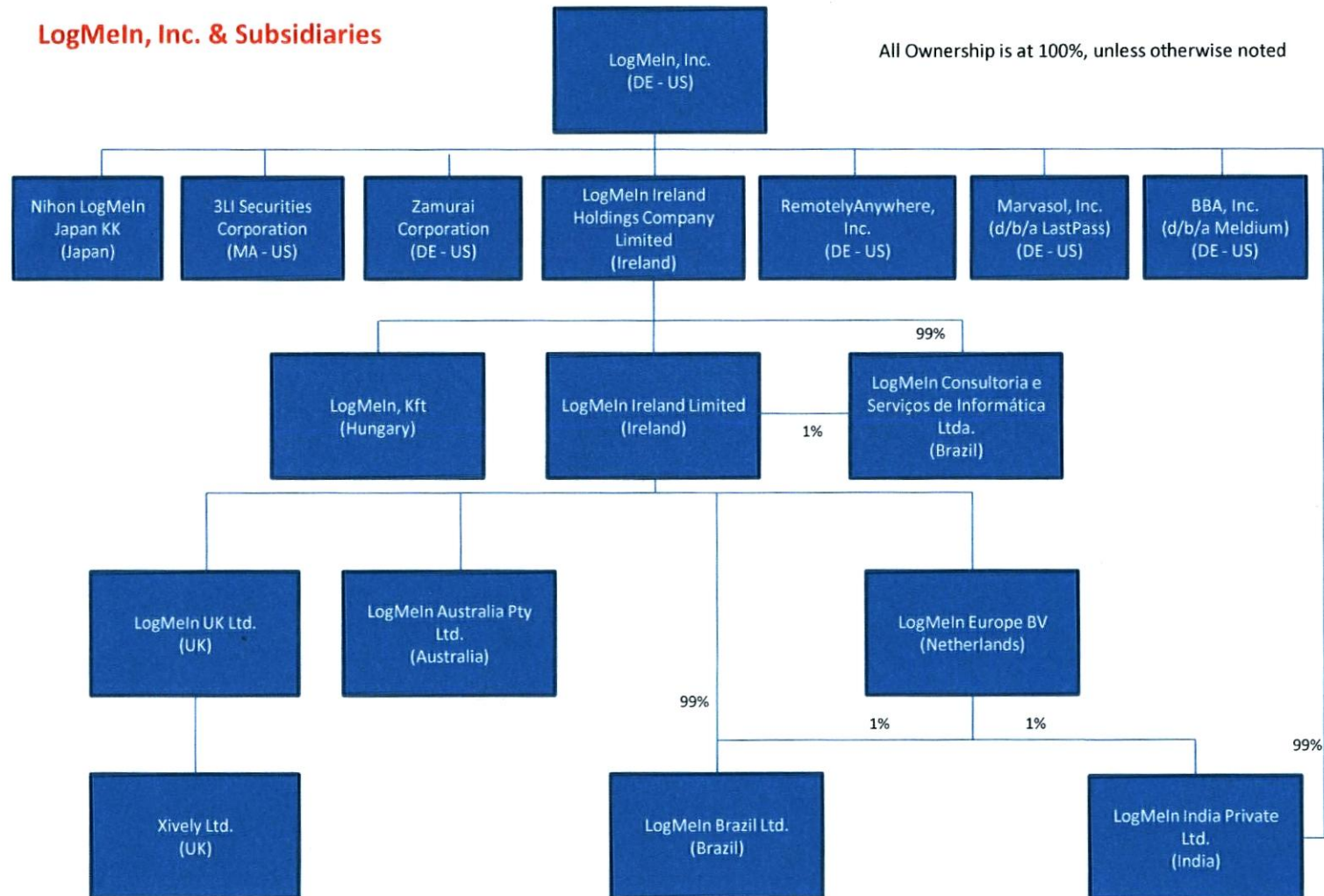


Exhibit B

Post-Transaction Ownership Structure

